

# Property Writes



## INSIDE

Message from the Director.....	1
Training Corner.....	2
Natural Resource.....	3
Tax Rates .....	3
Sales Ratio .....	3
Centrally Assessed.....	4
Blank page .....	6
(Attached Summary Sheet of CA values)....	7

## MESSAGE FROM THE DIRECTOR – Denny Lytle

The Property Tax Division in association with UAC has developed a new course called Property Tax Administration in Utah. The course has roots in the county review process conducted by Lee Brennan and the work of the Property Tax Review Committee.

The purpose of this course is simple. It is to provide a resource that helps improve the administration of the Property Tax in Utah. The Property tax system is complicated. Many functions are going on at the same time and many people and offices are dependent on each other. We need a common understanding that we are all partners in this effort – we have the same goals and purposes. Our hope in this course is to provide training that ties all the functions required to make the property tax system work together and to explain how all the functions are connected and dependent on each other. Another purpose of the course is to share some of the best ideas and procedures that counties are using to make the system work for the county and taxpayers.

The goals of the course are as follows: (1) Educate on existing rules, laws, standards, and other resources, (2) Enhance communication among all county and state property tax officials, (3) Share best practices, (4) Increase consistency and uniformity of administration, and (5) Provide a property tax system and process overview.



Property Tax Division  
Utah State Tax Commission

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Salt Lake City, UT 84134  
(801) 297-3600

\*check out the NEW web site address

This is a new type of course for UAC and the division and is quite different from the division's normal appraisal instruction. We have already had a good number of county commissioners and a few legislators attend in addition to county officials and taxing entity officials. We believe the course has potential to make a positive difference and I would encourage you to attend one of the upcoming sessions. It will be taught again September 12-13 in Logan, and December 2-3 in Salt Lake.

I want to express our sincere appreciation for UAC involvement with us in the development and presentation of the new Property Tax Administration course. We are also grateful for the time, effort, and expertise of the individual county officials that have provided assistance.

## **TRAINING CORNER**

### **2003 USPAP Changes A Comin' - Ron Smith**

The Division of Real Estate has announced changes to the USPAP education requirements for all appraisers. A new one-day USPAP course will be available beginning in 2003 to replace the current two-day course. The timeline for USPAP education requirements are:

2002: The current two-day course is required for all new appraisers and for all appraisers in the third renewal period (5<sup>th</sup> and 6<sup>th</sup> year since the last USPAP class).

2003: New appraisers are required to take the current two-day course. Appraisers in their third renewal period have the option of taking the two-day course or taking the new one-day course, fulfilling the USPAP requirement and receiving seven hours of continuing appraisal education.

2004: During 2004 and 2005, all licensed and certified appraisers must complete the new one-day USPAP course before their renewal deadline.

This one-day course will then be required each renewal period (each two years). New appraisers will be required to complete the normal two-day course.

The final USPAP course for 2002 is scheduled for Richfield on September 10<sup>th</sup> and 11<sup>th</sup>. If you would like to register, contact Colleen Southwick at (801) 297-3601, E-mail: csouthwick@utah.gov. If you have general USPAP requirement questions, contact Ron Smith at (801) 297-3691, E-Mail: RonSmith@utah.gov.

## **FARMLAND ASSESSMENT ACT AMENDMENTS**

**- Lee Brennan**

The 2002 legislature made several amendments to the Farmland Assessment Act (HB 155.) Some questions regarding appropriate administration of the amendments have arisen. Therefore, the Property Tax Division has assembled a committee to ensure consistent understanding and practices among the various counties.

Member of the committee include: Karl Hendrickson, Salt Lake County District Attorney's Office; Susan Yoshinaga, Salt Lake County Assessor's Office; Monte Munns, Box Elder County Assessor/ Treasurer; Art Partridge, Washington County Assessor; Ross Bartholomew, Davis County Treasurer's Office; Dixie Swasey, Emery County Recorder; Wes Quinton, Utah Farm Bureau; Kim Wilson, Rich County Assessor; Donna Richens, Uintah County Treasurer; and Steve Farrell, Walter Bleak, Craig Jolley, Ruth Ann Jefferies, Property Tax Division, Tax Commission.

The committee will identify aspects of the FAA law that are unclear, confusing or inconsistent and develop a plan of action to further refine the law and promote education among counties for consistent administration.

The first meeting was held June 5, 2002. Monte Munns, Box Elder County Assessor / Treasurer was elected chair. The committee prioritized areas which need to be addressed. These include

rollback issues relating to exempt land, government acquisitions, delinquency, penalties and recordings. In addition, the committee determined there was a need to further clarify “beneficial interest” and “identical ownership” as it applies to FAA applicants.

The next meeting will be July 2, 2002 at 11:00 am at the Tax Commission. All who are interested are welcome to attend.

## **NATURAL RESOURCE – ON THE MOVE**

**- Paul Bredthauer**

The Natural Resource Section is making site inspections of mining and oil and gas properties. They will be dropping by your office. If there is a particular site that you would like to have them look at please contact Paul Bredthauer (801) 297-3619. The valuation analysts will let you know of any site inspections in your county prior to any visits. You or your staff is welcome to accompany them on these inspections.

The 2002 assessment season has come to a close. The assessment has been printed, discs have been burned and the UPS has come and gone. A big thanks to the staff of the Property Tax Division and all those in the counties that helped bring this year’s assessment to a successful close.

## **CERTIFIED TAX RATES**

**- Blaine Smith**

In April of this year the tax rate team was on the road to visit the county officials and discuss any issues that affect the tax rate process. The trips was very successful and we enjoyed the meetings very much. We also had the opportunity to have our newest tax rate team members Meredith McNett and Colleen Southwick join us on these visits. Our newest members of the team will help enhance the service that we can provide to the counties and other taxing entities.

In addition to our county visits we participated with the State Auditor in presenting property tax issues at seven of their budget workshops. These workshops are presented at various locations around the state. Between these two activities we got to see a good share of the state. As one who spent a lot of time in a car, there is a lot of state out there to look at.

Enough of the idle chit chat, the tax rate season is upon us and the swamp is being to fill with alligators. As of this writing all of the Treasurers reports are in and balanced. The Auditors have sent in their year-end reports and for those lucky enough to have RDA’s the reports showing the increments paid have been submitted.

The CD’s that contain the information that the Auditors use to send in their current values have been tested and will be mailed during the last week of May or the first week of June. For all of the Treasurers and Auditors that we have called for additional information or have asked to confirm numbers, we give you our thanks. Everyone has been extremely helpful in helping identify and resolve problems as they arise.

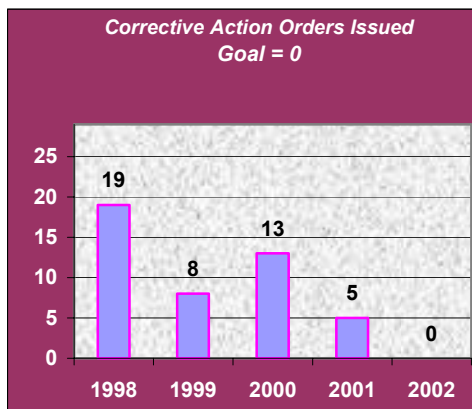
The rate setting process is underway and we do not expect any unusual surprises this year. Legislative changes were minimal. There may be some judgment levy issues but we will be available to field your questions.

## **SALES RATIO**

**- Craig Jolley**

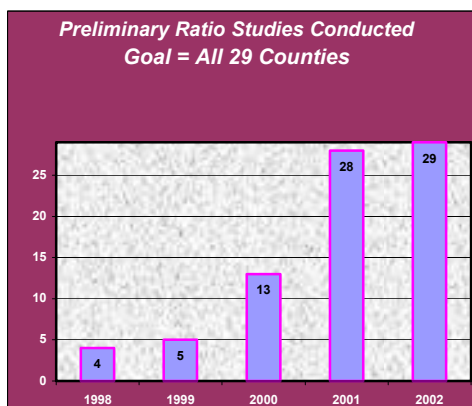
### **Sales Ratio Study**

The Real Property Section has just concluded its 2002 sales ratio study. This was our most successful year! (“Our” means state’s and counties’.) Let me tell you some of the reasons why. First, no counties were surprised by a corrective action order. In fact, NO ORDERS WERE ISSUED. The following chart shows our progress in eliminating orders since 1998.



This historical achievement is a joint success for the counties and the Property Tax Division because they partnered with one another to conduct the sales ratio study. The mission statement of the Real Property Section is “Quality assistance, cooperative oversight.” Cooperation has changed the study from an enforcement mechanism to a tool for assessors.

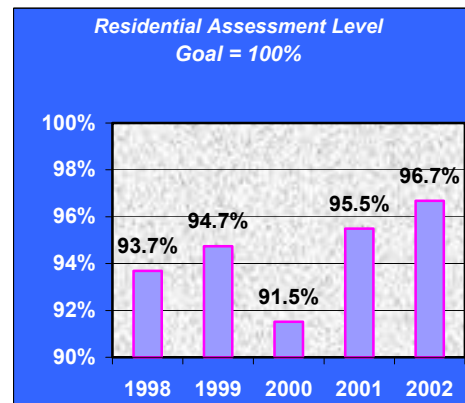
The division values compliance through education, assistance and support rather than through enforcement. Key to this is the “April Study.” In past years the annual ratio study brought many surprises to assessors. No more! Every county conducted an April Study this year—another “first”! The chart below shows our progress in conducting the “April Study” since 1998.



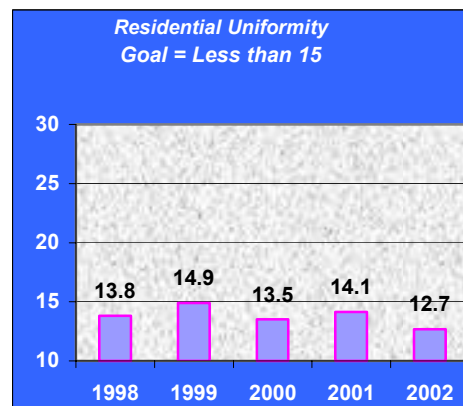
This year the division emphasized the empowerment of our county reps and allowed them to make more decisions jointly with management. This appears to have smoothed the

communication process by better utilizing the talents of our front-line experts.

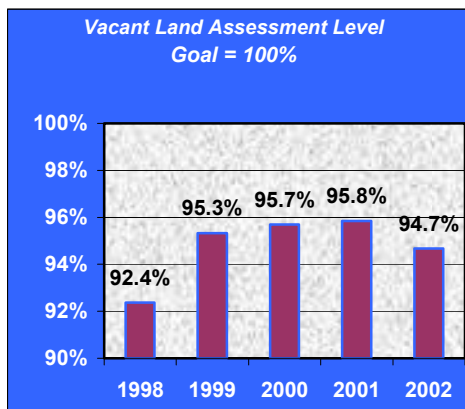
The hallmark of success in the property tax arena is improved quality of assessments. The statewide average assessment level for primary residential property moved closer to market value, improving from 95.5% to 96.7%. Look at the progress over four years.



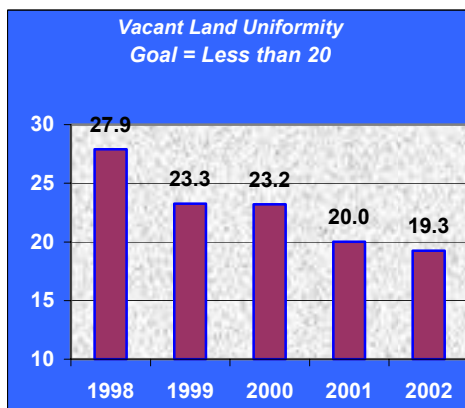
Uniformity increased as well with the COD decreasing from 14.1 to 12.7. Progress since 1998 is shown in the following chart.



The assessment level of vacant land decreased slightly from 95.8% to 94.7%; however, it has improved 2.5% over the last 4 years.



Finally, dispersion of vacant land assessments dropped below a COD of 20 for the first time ever!



Congratulations to the counties!

## NEWS OF THE CENTRALLY ASSESSED

- Marlo Edwards

The Property Tax Division completed their assessment of Centrally Assessed Properties on May 1, 2002. The values were delivered to the counties by May 24. The total Centrally Assessed Value for the State of Utah was \$12,853,522,076. This compares to a value of \$14,128,667,708 in 2001 or an overall reduction in value of 9.03%. The percent change in value by class is: coal 3.61%, metal -34.74%, non-metal -36.17, oil and gas wells -1.73%, sand and gravel -2.12%, airlines -10.53%, gas utilities 4.12%, power -8.21%, pipelines 11.83% railroads 9.75% and telephone -8.33%.

The reduction in the valuation on non-metals resulted from two cement plants being transferred to local assessment. Oil and Gas well values declined on an individual bases, however there was new drilling in Carbon and Uintah counties that tended to offset the reduction in value brought about by lower oil and gas prices. The airlines had major losses in revenue in 2001. The decline in revenue began in early 2001 and was accelerated by the events associated with September 11, 2001. The decline in value of telephone companies resulted from lower revenues brought about by increased competition from over building and new technology in the industry. New technology in the telecommunications industry makes new equipment much less expensive than older equipment that does the same job.



## 2002 SUMMARY OF CENTRALLY ASSESSED TAXABLE VALUES BY COUNTY

	ROLLING STOCK	AIRLINES	GAS	PIPELINE	POWER	RAILROAD	TELEPHONE	COAL	METAL	NON-METAL	OIL & GAS	SAND & GRAVEL	2002 COUNTY TOTAL	2001 COUNTY TOTAL
BEAVER	1,277,558		2,043,935	26,081,049	51,530,133	7,303,284	29,715,498		572,870	19,606,984		866,130	138,997,441	153,837,968
BOX ELDER	9,768,841	6,620	9,327,770	1,988,181	69,757,668	41,254,859	85,017,908		201,709	27,391,967	0	12,846,094	257,561,617	271,615,137
CACHE	1,989,441	52,150	17,925,719	4,034,661	31,668,940	7,277,833	58,485,741		9,734		0	6,155,741	127,599,960	134,916,379
CARBON	5,334,770	55,646	6,467,979	28,553,668	68,328,167	27,977,812	33,261,819	184,071,658		369,884	471,145,550	813,229	826,380,182	829,174,360
DAGGETT			30,235	63,422,262	1,721,141		2,368,070			2,132,545	18,651,445	0	88,325,698	81,148,422
DAVIS	4,527,971	40,940	37,394,512	23,789,046	61,742,567	19,393,624	160,338,036					13,017,223	320,243,919	336,446,821
DUCHESNE		440	1,934,879	7,433,268	35,517,816		24,869,225			169,130	130,203,681	1,325,132	201,453,571	230,605,881
EMERY	3,128,703	340	1,498,901	2,781,346	885,280,576	9,288,088	13,807,519	78,551,269	13,241	901,670	63,174,053	398,770	1,058,824,476	1,137,715,999
GARFIELD		51,260	2,256,046		12,700,057		13,270,915		5,413,695		2,675,220	1,195,635	37,562,828	38,718,590
GRAND	4,970,919	99,100	2,039,357	34,184,659	13,589,441	14,709,457	20,953,962		236,954	6,767,284	30,152,378	45,678	127,749,189	145,319,672
IRON	3,211,629	2,245,636	13,268,492	32,433,683	47,928,296	14,650,579	57,027,284	81,800	2,049,918	25,667		6,231,063	179,154,047	200,370,713
JUAB	2,644,931	690	625,095	22,089,892	40,083,012	10,504,065	21,462,884	1,965,909	3,198,607	10,130,699		3,700,999	116,406,783	168,647,470
KANE		140			10,858,247		8,083,530			372,684		1,799,145	21,113,746	19,542,596
MILLARD	2,859,006	140	4,183,858	56,372,043	1,370,649,990	13,290,666	45,161,170		21,434,044	32,447,331	0	708,904	1,547,107,152	1,766,944,878
MORGAN	1,241,582		978,083	25,989,223	5,037,649	5,992,364	14,373,850		32,158	8,985,801		1,968,004	64,598,714	186,436,880
PIUTE			1,529,018		5,939,594		1,596,545		1,172,195	147,028			10,384,380	9,998,869
RICH			190,501	14,415,250	12,048,509		7,623,111			124,386	2,183,746	185,396	36,770,899	35,399,971
SALT LAKE	9,883,916	707,971,729	196,205,055	51,952,553	563,370,538	44,620,893	1,667,754,555		764,754,128	797,975		91,375,759	4,098,687,101	4,693,329,609
SAN JUAN		182,600	637,545	30,626,249	38,377,494		9,190,090		300,131	1,812,385	189,139,367	1,586,892	271,852,753	326,702,069
SANPETE		690	7,602,673	2,894,184	19,181,864		17,349,791		34,399	2,304,230	27,853	2,894,408	52,290,092	55,798,291
SEVIER		260	5,519,165		34,970,044		22,162,096	82,966,456	42,288	16,830,158		2,467,464	164,957,931	182,802,476
SUMMIT	2,028,222	13,100	8,208,520	60,683,680	53,683,370	9,906,424	84,879,692		17,095,031	5,634,147	287,471,368	4,848,672	534,452,226	620,522,327
TOOELE	8,718,881	19,649	8,707,496		47,603,917	29,937,370	76,392,229		38,545,442	52,031,637	0	5,158,072	267,114,693	322,496,892
UINTAH	349,562	1,322,047	3,304,787	75,569,782	311,877,452		23,048,992	6,000	49,594	60,756,001	430,305,338	1,799,723	908,389,278	783,006,449
UTAH	10,175,044	646,290	55,155,561	71,229,247	144,702,238	43,486,185	294,429,530		7,812,023	4,645,613	0	36,718,590	669,000,321	673,106,553
WASATCH	312,054	147,030	3,193,459	674,372	23,479,444	1,186,303	23,432,192		5,853,308	221,914		5,920,775	64,420,851	65,889,077
WASHINGTON		42,829,943	20,531,136	46,324,695	69,193,733	7,338	81,189,162		257,363	347,958		11,227,586	271,908,914	254,984,102
WAYNE					4,353,284		3,989,754			602,612	0	280,539	9,226,189	9,861,587
WEBER	4,624,674	193,940	39,767,453	621,077	83,391,276	27,352,656	178,424,040		1,002	44,105,533		2,505,474	380,987,125	393,327,671
COMPANY														
TOTAL	77,047,704	755,880,380	450,527,230	684,144,070	4,118,566,457	328,139,800	3,079,659,190	347,643,092	869,079,834	299,663,223	1,625,129,999	218,041,097	12,853,522,076	14,128,667,708

